



City Treasurer

City Treasurer



Department Description

The Office of the City Treasurer is responsible for receipt and custody of all City-wide revenue, including banking, tax administration, collection of delinquent accounts and accounting for these funds. The City Treasurer is also responsible for the investment of all City operating and capital improvement funds, totaling \$1.45 billion, and the reinvestment of debt proceeds of the City and its affiliated agencies totaling an additional \$158 million. In addition, the City Treasurer serves as a member of the Funds Commission and as a trustee for the SPSP/401(k) Plans. Major divisions/programs of the Office of the City Treasurer are as follows:

Business and Rental Unit Tax

The Business and Rental Unit Tax Program administers the collection of the City's Business Tax and Rental Unit Business Tax assessments and fees, compliance enforcement, collection of Business Improvement District fees, and maintains the regulatory clearance review data for businesses operating within the City of San Diego.

General Accounting

The General Accounting Program is responsible for collecting fees, fines, permits, taxes and other payments; processing Transient Occupancy Tax (TOT) returns and remittances; balancing and reporting all daily revenue transactions; accounting for daily cash deposits of City funds in various bank accounts; maintaining records for City investments; and accounting for investments in the Cemetery Perpetuity, Los Penasquitos Preserve and G.E. Peters, Effie Sergeant and Edwin A. Benjamin Memorial Trust Funds.

Investments

In compliance with the City Treasurer's Investment Policy, the Investments Division manages the City's operating, capital improvement, and project financing funds in order to safely preserve principal, provide adequate liquidity and earn a return comparable to performance benchmarks. The Investments Division manages the reinvestment of additional bond proceeds for the City, City Agencies, and Joint Power Authorities. The Division provides cash management services, including maintenance of banking relationships and reviewing new banking legislation. The Division also assists in the development and implementation of new payment and collection systems for the City, which includes participating in the review, implementation and monitoring of all electronic banking services, e-commerce systems, and third party payment processing services.

Revenue Audit & Appeals

The Revenue Audit & Appeals Division conducts audits of hotels, lessees, and franchises to ensure revenues due to the City are remitted timely and accurately. The Division also administers appeal hearings conducted by the City Treasurer.

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Revenue Collections

The Revenue Collections Division administers the Delinquent Accounts and Parking programs. The Delinquent Accounts Program is responsible for the administration and collection of delinquent accounts referred to the City Treasurer by other City departments and agencies. The Program also represents the City in small claims court actions on delinquent accounts. The Parking Administration section handles parking citation customer service functions, issues residential parking permits, and reviews and processes parking citation appeals. The Parking Meter Operations section collects parking meter revenue and installs and maintains City parking meters. The Consolidated Payments section processes parking citation and delinquent account payments and distributes and reconciles related revenue.

The Department's mission is:

To receive, safeguard and efficiently manage public funds while providing the highest level of customer service

Goals and Objectives

The following goals and objectives represent the action plan for the Department.

Goal 1: Safeguard all City monies through the use of strong internal controls

The Department will move toward accomplishing this goal by focusing on the following objectives.

- Continue to ensure safe and secure working facilities
- Maintain a secure data environment that safeguards information collected by the Department

Goal 2: Engage in continuous improvement to effectively manage resources

The Department will move toward accomplishing this goal by focusing on the following objectives.

- Continuously evaluate business processes to identify areas for improvement
- Utilize technology to continue enhancing the services provided

Goal 3: Stay current and in compliance with laws and regulations that pertain to treasury services

The Department will move toward accomplishing this goal by focusing on the following objectives.

- Ensure compliance with legal and regulatory requirements
- Provide training, educational and networking opportunities to ensure that employees are aware of changes to applicable laws and regulations
- Maintain compliance with internal and external audit reviews

Goal 4: Provide world-class customer service to both internal and external customers

The Department will move toward accomplishing this goal by focusing on the following objectives.

- Assist the public in understanding the services that the Department provides
- Deliver services to customers effectively and efficiently
- Effectively provide accurate and timely information to customers and stakeholders

Goal 5: Foster and promote a supportive, collaborative and integrated work environment through a trained and skilled workforce

The Department will move toward accomplishing this goal by focusing on the following objectives.

- Provide necessary equipment, training and resources to support employees
- Create an environment where employees are celebrated and recognized for outstanding performance

Goal 6: Promote the highest ethical standards and behavior among employees

The Department will move toward accomplishing this goal by focusing on the following objectives.

- Train staff and management on city's ethical standards
- Management review of standards and ethical practices at regular intervals (staff meetings)

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Goal 7: Prudently invest and manage the City's cash investment portfolio pursuant to the State of California Government Code

The Department will move toward accomplishing this goal by focusing on the following objectives.

- Fully comply with City's Investment Policy
- Preserve principal, ensure liquidity and achieve a reasonable yield for the City's Pooled Investment Fund
- Annually update the City's Investment Policy to reflect new legislative changes and prudent investment practices

Service Efforts and Accomplishments

The Office of the City Treasurer completed its Banking Services Request for Proposal project in Calendar Year 2007. This effort awarded contracts for core banking, custodial and electronic direct deposit payroll services. The City will realize a 6.7 percent savings over the life of the five-year contract for core banking services.

Treasury Operations continues to deliver outstanding customer service to its lobby customers. Cashiering accepts all citywide payments (54,274 payments totaling \$1.6 billion) and Business Tax staff assist business and rental tax customers. In Fiscal Year 2007, lobby surveys revealed a 92 percent overall customer service satisfaction rating.

Business and Rental Unit Tax

The Business Tax Program contracted with the Franchise Tax Board to enhance its compliance enforcement efforts. This program will ensure that businesses operating within the City are in compliance with the City's Business Tax regulations.

General Accounting

The Office of the City Treasurer's General Accounting Program is in the process of implementing City-wide Cash Handling Training. The training will serve to educate staff citywide on cash handling policies and procedures. The program will improve cash handler skills and knowledge, increase customer awareness and service, increase cash handler accountability, ensure that City assets are safeguarded and create standardized cash handling practices consistent with recommended best practices.

The General Accounting Program successfully implemented and will oversee the collection of the new San Diego Tourism Marketing District (TMD) effective January 2008.

The General Accounting Program revised the City's bank reconciliation process to accurately and timely reconcile the general ledger to all five bank accounts. This new and improved process completes an essential process improvement recommended by the Kroll Report.

Investments

In June 2007, the liquidity portfolio reported an earned income yield of 5.28 percent, and the core portfolio yielded 4.45 percent, which was 39 basis points higher than its benchmark (Merrill Lynch 1-3 Year Treasury Index).

The Investments Division evaluated and selected an electronic trading platform vendor which will enhance trade execution and transparency to bond transactions. During the annual review and approval of the City Treasurer's Investment Policy, a new investment class, under certificate of deposit, was added. These certificates are issued by various local banks and use a private network to fully insure both principal and interest owed.

Revenue Audit and Appeals

The Revenue Audit Division continues to conduct mandatory revenue audits in order to identify deficiencies and maximize recovery. In Fiscal Year 2007, 139 revenue audits (hotels, lessees, business taxes and franchises) were completed resulting in recoveries of \$2.5 million.

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Revenue Collections

The Delinquent Accounts Program maintains a net collection rate of 85 percent on delinquent receivables. Due to the program's aggressive stance on collections and resulting success, the program is frequently contacted by other cities for assistance in setting up delinquent account collection programs.

The Downtown Varied Rates/Time limits and Multi-Space Parking Pay Station pilot projects were successfully completed, improving parking space utilization rates and parking meter revenue in test areas, with positive public/customer acceptance. A total of 51 multi-space parking pay stations are in service citywide. Each multi-space pay station replaces six to ten single head parking meters, allows customers a broader range of payment options, including credit cards, and improves the overall aesthetics of city streets and sidewalks. City staff is working with the city's community parking districts to expand the use of this technology.

The Revenue Collections Division replaced the aging parking citation system with a new state-of-the-art system and implemented systems for accepting parking citation and delinquent account payments on-line and via telephone 24/7. The new systems improve reliability, security and internal controls; reduce credit card payment processing costs, improve security of customer credit card information, and enhance overall customer service.

The Parking Administration section and Delinquent Accounts Program maintained a consistently high 24-month collection rate (82.6 percent) on parking citations. This rate is the third highest collection rate in the country when compared to other parking agencies that participated in a nationwide survey conducted in 2006 by the City of Dallas.

Budget Dollars at Work: Performance Expectations

Goal 1: Safeguard all City monies through the use of strong internal controls

Performance Measure	Baseline FY2007	Estimated FY2008	Target FY2009
1. Average number of days for bank account reconciliations to be completed in adherence with Kroll Report remediation guidelines	N/A	9 days ¹	within 45 days of month-end statements
2. Percent of departments that receive City-wide cash handling training	N/A	N/A	10%
3. Percent accuracy in daily cashing balancing of incoming revenue	N/A	100% ²	100%

Goal 2: Engage in continuous improvement to effectively manage resources

Performance Measure	Baseline FY2007	Estimated FY2008	Target FY2009
1. Number of manual processes transitioned to an electronic platform	N/A	4	1

Goal 3: Stay current and in compliance with laws and regulations that pertain to treasury services

Performance Measure	Baseline FY2007	Estimated FY2008	Target FY2009
1. Internal and external audit results in compliance with legal and regulatory requirements	unqualified opinion (no negative findings)	unqualified opinion (no negative findings)	unqualified opinion (no negative findings)
2. Results from unscheduled departmental (internal) cash counts	N/A	N/A	favorable

¹ July 2007 through February 2008

² July 2007 through February 2008

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Performance Measure	Baseline FY2007	Estimated FY2008	Target FY2009
3. Completion of transient occupancy tax, lease and franchise audits	within required time frames	within required time frames	within required time frames

Goal 4: Provide world-class customer service to both internal and external customers

Performance Measure	Baseline FY2007	Estimated FY2008	Target FY2009
1. Customer survey results of customer service satisfaction	92%	97% ³	93%

Goal 5: Foster and promote a supportive, collaborative and integrated work environment through a trained and skilled workforce

Performance Measure	Baseline FY2007	Estimated FY2008	Target FY2009
1. Percent of professional workforce attending trainings, conferences and continuing education programs	N/A	100%	90%

Goal 6: Promote the highest ethical standards and behavior among employees

Performance Measure	Baseline FY2007	Estimated FY2008	Target FY2009
1. Percent of supervisors and managers in compliance with required ethics and harassment trainings	100%	100%	100%
2. Percent of workforce attending monthly staff meetings where review of ethics standards and guidelines occur	N/A	100%	100%

Goal 7: Prudently invest and manage the City's cash investment portfolio pursuant to the State of California Government Code

Performance Measure	Baseline FY2007	Estimated FY2008	Target FY2009
1. Percent of investments in compliance with the Investment Policy	100%	100%	100%
2. The number of basis points the Core Portfolio out-performed the Merrill Lynch 1-3 year Treasury Index (on a rolling 3-year calendar basis)	19 basis points ⁴	Unknown	Merrill Lynch 1-3 year Treasury Index
3. Receive Council approval of the annually updated Investment Policy	Yes	Yes ⁵	Yes

Budget Dollars at Work: Sizing and Workload Data

	FY2005	FY2006	FY2007	Estimated FY2008	Target FY2009
Amount of City operating and capital improvement funds the department is responsible for investing	\$1.3B	\$1.4B	\$1.8B	\$1.75B	N/A
Amount of debt proceeds the department is responsible for reinvesting	\$124M	\$146M	\$230M	\$555M	N/A
Amount of City-wide revenues deposited and recorded	\$1.6B	\$1.7B	\$1.6B	\$1.6B	\$1.7B

³ July 2007 through December 2007

⁴ Data as of December 31, 2007

⁵ Received Council approval on November 20, 2007

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	FY2005	FY2006	FY2007	Estimated FY2008	Target FY2009
Amount of Business Tax assessments collected	\$13.7M	\$15M	\$13.9M	\$18.9M	\$15.4M
Amount of Business Improvement District assessments	\$1.2M	\$1.3M	\$1.3M	\$1.2M	\$1.3M
Number of new Business Tax applications processed	14,968	15,803	14,424	22,387	17,873
Number of renewals processed	144,403	145,168	147,527	149,886	156,011
Number of Business Tax telephone customers assisted	62,813	61,547	57,339	71,059	63,707
Amount of delinquent account revenue collected for under \$25,000 amounts referred	\$15.1M	\$15.3M	\$13.7M	\$14.1M	\$13M
Amount of delinquent account revenue collected for over \$25,000 amounts referred	\$10.0M	\$33.9M	\$16.5M	\$14.5M	\$10M
Number of delinquent account collections telephone contacts made	237,762	207,557	196,680	185,000	200,000
Number of parking citation payments processed	443,962 (totaling \$20.9M)	365,118 (totaling \$16.7M)	404,692 (totaling \$19 M)	365,000 (totaling \$16.6M)	420,000 (totaling \$19.4M)
Number of parking citation appeals reviewed, processed and decided	32,985	33,610	27,972	29,000	29,000
Number of parking citation telephone customers assisted	57,169	62,971	56,713	52,000	60,000
Amount of City parking meter revenue collected	\$7.1M	\$6.4M	\$7.4M	\$6.9M	\$7.6M
Weight of City parking meter coin collected	367,290 pounds	364,245 pounds	357,736 pounds	355,000 pounds	340,000 pounds
Amount of Transient Occupancy Tax assessments collected	\$121.6M	\$136.4M	\$153.6M	\$163.4M	\$176M
Number of revenue audits performed	165 (totaling \$1.5M)	118 (totaling \$1.7M)	139 (totaling \$2.5M)	120 (totaling \$1.5M)	130 (totaling \$2.0M)
Amount of interest earnings received on the City's Pooled Investment Portfolio	\$20.6M	\$38M	\$66.8M	\$84.6M	N/A

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Department Summary

City Treasurer				
	FY 2007 BUDGET	FY 2008 BUDGET	FY 2009 PROPOSED	FY 2008-2009 CHANGE
Positions	86.80	124.00	126.00	2.00
Personnel Expense	\$ 6,671,773	\$ 10,343,539	\$ 10,407,083	\$ 63,544
Non-Personnel Expense	\$ 3,417,296	\$ 4,098,377	\$ 4,531,649	\$ 433,272
TOTAL	\$ 10,089,069	\$ 14,441,916	\$ 14,938,732	\$ 496,816

Department Staffing

	FY 2007 BUDGET	FY 2008 BUDGET	FY 2009 PROPOSED
GENERAL FUND			
Office of the City Treasurer			
Administration	7.55	9.25	9.25
Business & Rental Tax	17.85	17.75	20.75
Consolidated Pymt Processing	0.00	5.00	8.00
Delinquent Acct Collection	46.60	43.50	38.50
General Accounting	10.50	12.00	13.00
Investments Activities	4.30	3.00	3.00
Parking Administration	0.00	19.00	17.00
Parking Meter Operations	0.00	9.50	10.50
Revenue Audit Admin	0.00	5.00	6.00
Total	86.80	124.00	126.00

Department Expenditures

	FY 2007 BUDGET	FY 2008 BUDGET	FY 2009 PROPOSED
GENERAL FUND			
Office of the City Treasurer			
Administration	\$ 1,078,733	\$ 1,118,848	\$ 1,275,743
Business & Rental Tax	\$ 2,680,343	\$ 2,551,246	\$ 2,563,407
City Treasurer	\$ (6,139)	\$ 64,911	\$ (249,740)
Consolidated Pymt Processing	\$ -	\$ 514,180	\$ 627,227
Delinquent Acct Collection	\$ 3,963,383	\$ 3,854,089	\$ 3,574,053
General Accounting	\$ 1,154,357	\$ 1,183,734	\$ 1,336,242
Investments Activities	\$ 1,218,392	\$ 1,055,278	\$ 1,022,536
Parking Administration	\$ -	\$ 2,354,067	\$ 2,531,266
Parking Meter Operations	\$ -	\$ 1,151,538	\$ 1,544,464

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Department Expenditures

	FY 2007 BUDGET	FY 2008 BUDGET	FY 2009 PROPOSED
GENERAL FUND			
Office of the City Treasurer			
Revenue Audit Admin	\$ -	\$ 594,025	\$ 713,534
Total	\$ 10,089,069	\$ 14,441,916	\$ 14,938,732

Significant Budget Adjustments

GENERAL FUND

Office of the City Treasurer	Positions	Cost	Revenue
Salary and Benefit Adjustments	0.00 \$	206,259 \$	0
Adjustments to reflect the annualization of the Fiscal Year 2008 negotiated salary compensation schedule, changes to average salaries, retirement contributions, retiree health contributions, and other benefit compensation.			
Additions for Parking Meter Operations	1.00 \$	350,535 \$	0
Addition of 1.00 Parking Meter Technician and non-personnel expenses to support Parking Meter Operations.			
Additions for Franchise Tax Board Program	3.00 \$	252,514 \$	0
Addition of 2.00 Administrative Aide II and 1.00 Associate Management Analyst positions to administer the Franchise Tax Board Program.			
Additions for Tourism Marketing District (TMD) Program	2.00 \$	212,980 \$	200,000
Addition of 2.00 Accountant III positions to audit the Tourism Marketing District Program, along with associated revenue and non-personnel expense.			
Support for Information Technology	0.00 \$	208,821 \$	0
Funding allocated according to a zero-based annual review of information technology funding requirements and priority analyses.			
Non-Discretionary	0.00 \$	127,181 \$	0
Adjustments to expenses that are determined outside of the Department's direct control. Examples of these adjustments include utilities, insurance, and rent.			
Funding of Terminal Leave	0.00 \$	16,052 \$	0
Funding of additional personnel expenditures for terminal leave paid to employees who, upon conclusion of their tenure with the City, possess a large leave balance.			

Significant Budget Adjustments

GENERAL FUND

Office of the City Treasurer	Positions	Cost	Revenue
Revised Revenue	0.00 \$	0 \$	(1,735,858)
Adjustment to reflect Fiscal Year 2009 revenue projections.			
Reduction in Hourly Support	0.00 \$	(170,000) \$	0
Reduction in hourly support to offset the addition of three budgeted positions for the Franchise Tax Board Program.			
Vacancy Savings	0.00 \$	(249,740) \$	0
Adjustments in personnel expense from positions that are projected to be vacant for a period of time in Fiscal Year 2009 due to personnel transition and salary differentials for new employees.			
Savings from the Five-Year Financial Outlook	(4.00) \$	(457,786) \$	0
Adjustments to personnel and non-personnel expenses, and revenue as a result of budget reductions discussed in the City's Five-Year Financial Outlook. These reductions are further described in Volume I, "Budget Overview and Schedules".			

Expenditures by Category

	FY 2007 BUDGET	FY 2008 BUDGET	FY 2009 PROPOSED
PERSONNEL			
Salaries & Wages	\$ 4,400,425	\$ 6,694,943	\$ 6,657,566
Fringe Benefits	\$ 2,271,348	\$ 3,648,596	\$ 3,749,517
SUBTOTAL PERSONNEL	\$ 6,671,773	\$ 10,343,539	\$ 10,407,083
NON-PERSONNEL			
Supplies & Services	\$ 2,061,884	\$ 2,314,531	\$ 2,706,228
Information Technology	\$ 1,267,522	\$ 1,688,442	\$ 1,725,140
Energy/Utilities	\$ 70,181	\$ 63,403	\$ 70,610
Equipment Outlay	\$ 17,709	\$ 32,001	\$ 29,671
SUBTOTAL NON-PERSONNEL	\$ 3,417,296	\$ 4,098,377	\$ 4,531,649
TOTAL	\$ 10,089,069	\$ 14,441,916	\$ 14,938,732

Revenues by Category

	FY 2007 BUDGET	FY 2008 BUDGET	FY 2009 PROPOSED
GENERAL FUND			
Licenses and Permits	\$ 14,042,000	\$ 26,978,040	\$ 25,510,935
Fines, Forfeitures, and Penalties	\$ 2,751,000	\$ 3,011,000	\$ 2,465,000
Charges for Current Services	\$ 286,000	\$ 418,000	\$ 392,700

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Revenues by Category

	FY 2007 BUDGET	FY 2008 BUDGET	FY 2009 PROPOSED
GENERAL FUND			
Transfers from Other Funds	\$ -	\$ 177,509	\$ 680,056
TOTAL	\$ 17,079,000	\$ 30,584,549	\$ 29,048,691

Salary Schedule

GENERAL FUND

Office of the City Treasurer

<i>Class</i>	<i>Position Title</i>	<i>FY 2008 Positions</i>	<i>FY 2009 Positions</i>	<i>Salary</i>	<i>Total</i>
1100	Accountant III	3.00	5.00	\$ 70,639	\$ 353,194
1104	Account Clerk	5.00	5.00	\$ 37,878	\$ 189,390
1106	Sr Management Analyst	3.00	3.00	\$ 71,272	\$ 213,817
1107	Administrative Aide II	1.00	3.00	\$ 50,492	\$ 151,475
1183	Accountant IV	1.00	1.00	\$ 90,418	\$ 90,418
1218	Assoc Management Analyst	1.00	2.00	\$ 64,335	\$ 128,670
1330	Cashier	2.00	2.00	\$ 37,620	\$ 75,239
1331	Collections Investigator I	28.00	24.00	\$ 46,805	\$ 1,123,318
1332	Collections Investigator II	4.00	4.00	\$ 52,506	\$ 210,025
1333	Collections Investigator III	5.00	5.00	\$ 59,988	\$ 299,941
1344	Collections Manager	1.00	1.00	\$ 70,106	\$ 70,106
1348	Info Systems Analyst II	1.00	1.00	\$ 64,077	\$ 64,077
1401	Info Systems Technician	2.00	1.00	\$ 50,993	\$ 50,993
1465	Field Representative	1.00	1.00	\$ 38,916	\$ 38,916
1535	Clerical Assistant II	16.00	16.00	\$ 35,402	\$ 566,425
1641	Parking Meter Technician	7.00	8.00	\$ 49,137	\$ 393,099
1646	Parking Meter Supv	1.00	1.00	\$ 56,359	\$ 56,359
1726	Principal Clerk	1.00	1.00	\$ 50,819	\$ 50,819
1776	Public Information Clerk	17.00	17.00	\$ 37,688	\$ 640,688
1803	Sr Parking Meter Technician	1.00	1.00	\$ 51,965	\$ 51,965
1840	Sr Cashier	1.00	1.00	\$ 42,305	\$ 42,305
1842	Accountant II	3.00	3.00	\$ 61,921	\$ 185,762
1844	Sr Account Clerk	5.00	5.00	\$ 43,002	\$ 215,010
1876	Executive Secretary	1.00	1.00	\$ 52,009	\$ 52,009
1879	Sr Clerk/Typist	4.00	4.00	\$ 43,313	\$ 173,252
1917	Supv Management Analyst	1.00	1.00	\$ 80,127	\$ 80,127
1926	Info Systems Analyst IV	1.00	1.00	\$ 79,816	\$ 79,816
2190	Treasurer	1.00	1.00	\$ 144,999	\$ 144,999
2217	Financial Operations Manager	1.00	1.00	\$ 113,356	\$ 113,356
2228	Principal Accountant	2.00	2.00	\$ 101,680	\$ 203,360
2241	Investment Officer	1.00	1.00	\$ 125,000	\$ 125,000
2256	Asst Investment Officer	1.00	1.00	\$ 95,000	\$ 95,000
2270	Program Manager	1.00	2.00	\$ 114,258	\$ 228,516

Salary Schedule

GENERAL FUND

Office of the City Treasurer

<i>Class</i>	<i>Position Title</i>	<i>FY 2008 Positions</i>	<i>FY 2009 Positions</i>	<i>Salary</i>	<i>Total</i>
	Vacancy Savings	0.00	0.00	\$ -	\$ (215,256)
	Bilingual - Regular	0.00	0.00	\$ -	\$ 12,830
	Overtime Budgeted	0.00	0.00	\$ -	\$ 32,161
	Temporary Help	0.00	0.00	\$ -	\$ 255,755
	Termination Pay Annual Leave	0.00	0.00	\$ -	\$ 14,630
	Total	124.00	126.00	\$	6,657,566
CITY TREASURER TOTAL		124.00	126.00	\$	6,657,566